

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7301

BILL NUMBER: HB 1355

DATE PREPARED: Feb 22, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Purdue University bonding authorization.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill authorizes Purdue University to issue and sell bonds for the West Lafayette campus institute for Nanotechnologies/Life Sciences Research Facility. It provides that the issuance of the bonds is subject to the approval of the Budget Agency after review by the Budget Committee. The bill prohibits the Budget Agency from approving a bond issue for the project unless Purdue's board of trustees provides evidence of a commitment by the federal government to provide federal funds for the project.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) The bill authorizes Purdue University to issue bonds up \$24 M for the Nanotechnologies/Life Sciences Research Facility. The bonds would be repaid from the indirect cost allocation of a federal grant. Purdue University has applied for an approximately \$50 M federal grant for Soldier Nanotechnologies. Part of the grant process requires the university to obtain approval to build the nanotechnology facility. The bond issue is not eligible for fee replacement. The annual debt service payment would be about \$1.97 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Purdue University, Budget Agency, Budget Committee

Local Agencies Affected:

Information Sources: Kevin Green, Purdue University (765) 494-6838.